

UNITED STATES DISTRICT COURT  
DISTRICT OF MAINE

OLYMPIA HOTEL MANAGEMENT, LLC,  
a Delaware limited liability company,

Plaintiff,

v.

THE BEND HOTEL DEVELOPMENT  
COMPANY, LLC, an Illinois limited liability  
company,

Defendant.

**Civil Action No. 2:20-cv-136-NT**

**DECLARATION OF DANIEL J. FLAHERTY**

I, Daniel J. Flaherty, hereby declare under oath as follows:

1. I am the Chief Financial Officer (“CFO”) of The Olympia Companies, a component of which is Olympia Hotel Management, LLC (“Olympia”), the Plaintiff in this case. I have held this position since 2012.

2. I work and live in Maine and did so at all times relevant to this dispute.

3. Under the HMAs, Olympia provided a wide range of management and operational services to the Hyatt-branded extended stay and select service hotel in East Moline, Illinois (the “Hotel”) from Olympia’s offices in Portland, Maine.

4. As CFO, I was personally involved in Olympia’s performance under the HMAs, and supervised additional Olympia staff that performed work on the Hotel’s behalf under the HMAs.

5. This work began roughly six months before the Hotel opened (in December 2018) and continued through April 2020, when Olympia terminated the HMAs.

6. I personally monitored and helped manage the cash flow at the Hotel. The Hotel suffered from chronic low balances in its operating accounts, which required my attention on an ongoing basis. Monitoring and managing cash flow at the Hotel required consistent attention each month.

7. Throughout and over the course of the parties' relationship, I also received emails from Mike VanDeHeede, the representative of the Hotel's owners, regarding management of the Hotel's cash flow and reporting.

8. For example, attached as **Exhibit A** is a true and correct copy of a March 23, 2020 email that I received from Mr. VanDeHeede directing Olympia not to pay certain lawyers from the Hotel's operating accounts.

9. Another example is **Exhibit B**, which is a true and correct copy of a June 26, 2019 email I received from Mr. VanDeHeede requesting that Olympia immediately pay the attached invoice for \$18,196 of legal services. (I have omitted the attachment to Mr. VanDeHeede's email because it is labeled privileged and confidential.)

10. Another example is **Exhibit C**, which is a true and correct copy of a February 26, 2020 email from Mr. VanDeHeede requesting that I call him ASAP regarding the Hotel's balance sheet.

11. Ray Stoddard, the on-site General Manager of the Hotel, also routinely sent me requests regarding management of the operating accounts.

12. For example, attached as **Exhibit D** is a true and correct copy of a September 30, 2019 email that I received from Ray Stoddard requesting a large disbursement from the operating accounts for Mr. VanDeHeede.

13. Another example is **Exhibit E**, which is a true and correct copy of a January 9, 2020 email from Ray Stoddard requesting a check be drawn from the operating accounts as requested by Dan Murphy, the Hotel's majority owner, and Mr. VanDeHeede.

14. Olympia also purchased the Hotel's insurance policies from Maine. In my role as CFO, I placed and managed the Hotel's insurance policies, including its workers' compensation, general business liability, and other insurance policies (excepting property insurance) from our offices in Maine.

15. As CFO, I also oversaw a number of Olympia personnel located in Maine who provided ongoing services to the Hotel pursuant to the HMAs. Olympia personnel in Maine under my supervision provided the Hotel's accounting, payroll, accounts payable management, and insurance management. Collectively, I estimate that these employees spent roughly 8-10 hours per week providing services for the Hotel between late 2018 and the termination of the HMAs.

16. These Olympia personnel located in Maine included Nicole Snyder, Olympia's Accounting Manager. From Olympia's offices in Maine, Ms. Snyder oversaw the Olympia accountants that managed the Hotel's accounting records. Ms. Snyder also reviewed the Hotel's month-end and annual accounting reconciliations. She monitored and helped managed the Hotel's cash flow. She also opened the Hotel's bank accounts and managed signature cards for these accounts. Finally, Ms. Snyder was responsible for processing checks for the Hotel's accounts payable.

17. Another Olympia employee located in Maine was Amy Farrell, the Payroll and Benefits Manager. From Olympia's offices in Maine, Ms. Farrell oversaw and managed third-party payroll provider Ultimate Software, which processed the Hotel's payroll on a biweekly

basis. Ms. Farrell also oversaw benefits for all employees of the Hotel, including their medical, dental, life, and long-term disability insurance, as well as their retirement accounts. Ms. Farrell also responded to requests from the Hotel and from government agencies seeking information about Hotel employees.

18. Olympia Accountant Andrea Nash also provided services to the Hotel from Maine. From Olympia's offices in Maine, and on a daily basis, Ms. Nash posted revenue and accounting activity for the Hotel using Olympia's general ledger software. She engaged in daily reconciliation of the Hotel's operating accounts. She managed the Hotel's accounts payable by reviewing and posting invoices the Hotel received to Olympia's general ledger software. Ms. Nash also filed the Hotel's sales tax returns monthly. She also compiled the necessary information and completed reconciliations for the Hotel's month-end financial statements, and engaged in the Hotel's year-end accounting.

19. Mike Clark was Olympia's Manager of Budgeting and Reporting until he left Olympia in February 2020, and he also provided services to the Hotel from Maine. From Olympia's offices in Maine, Mr. Clark managed the budget software used by the Hotel. He supported the accountants with their reporting obligations. He set up sales tax accounts for the Hotel and managed the Hotel's sales tax reporting and payment processes. Mr. Clark also set up the credit card merchant accounts used by the Hotel.

20. Tkc.io is a third-party IT consulting firm, owned by Troy Keiper, that managed the Hotel's IT on Olympia's behalf. Olympia managed Tkc.io from Maine. Troy and his team handled the Hotel's IT initiatives, repairs, and troubleshooting. Tkc.io is headquartered in Portland, Maine.

I declare under the penalties of perjury under the laws of the United States of America that the foregoing is true and correct.

Date: June 18, 2020

/s/ Daniel J. Flaherty

Daniel J. Flaherty

**CERTIFICATE OF SERVICE**

I hereby certify that on the date indicated below I caused a copy of the foregoing pleading to be filed with the Court's ECF filing system, which will cause an electronic notice to be sent to counsel of record.

Dated: June 19, 2020

/s/ Kyle M. Noonan

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